

IRISH CHURCH TEMPORALITIES FUND.

RETURN to an Order of the Honourable The House of Commons,
dated 24 July 1899;—for,

COPY "of TREASURY MEMORANDUM, dated the 14th day of July 1899,
on the FINANCIAL POSITION and PROSPECTS of the IRISH CHURCH
TEMPORALITIES FUND."

Treasury Chambers, }
24 July 1899. }

R. W. HANBURY.

(*Mr. Hanbury.*): ?

Ordered, by The House of Commons, to be Printed,
24 July 1899.

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THE IRISH CHURCH TEMPORALITIES FUND.

MEMORANDUM ON THE FINANCIAL POSITION AND PROSPECTS OF THE IRISH CHURCH TEMPORALITIES FUND.

IN order to consider the financial position of this Fund in a practical manner, it is necessary at the outset to shun any attempt to estimate the capital value of either its assets or its liabilities. This fact has been recognised by all whose duty it has been to deal with the Fund since the epoch of Disestablishment, and has determined the form of every return concerning it.

The following general description of the Fund will demonstrate the necessity of treating it on the basis of annual receipts and outgoings over a series of years, which is the method actually adopted in published statements. The assets of the Fund consist essentially of a number of sources of income, some of which are perpetual and some terminable in longer or shorter periods. But this description requires to be qualified in two respects, which introduce disturbing elements into any forecast of the amount of receipts in future years:—

- (1.) Parts of the perpetual income are, under the present law, liable to be turned into terminable income;
- (2.) Parts of both perpetual and terminable income are liable to be cancelled by commutation into lump sums paid to the Fund once for all.

Neither of these processes are, to any appreciable extent, under the control of the Land Commission, who are primarily responsible for the management of the Fund.

On the other hand, the liabilities of the Fund consist of charges upon it, some annual, and some nominally capital sums bearing interest until paid off. As regards the latter, a distinction must be drawn between charges created for transitory and for permanent purposes; for, while it is reasonable to leave outstanding for an indefinite period a charge created for a permanent purpose, even if nominally redeemable, it would be contrary to sound principles not to provide for the redemption, within a moderate period, of a charge created for a transitory purpose.

By the two Bills now before Parliament, that relating to Agriculture and Technical Instruction, and that respecting Tithe Rentcharge, certain proposals are made which would affect the future receipts and expenditure of the Church Fund, and it is the object of the present Memorandum to give a forecast of the future of the Fund as so modified.

The proposals in question are as follows:—

- (1.) The reduction of the period of currency of annuities in redemption of tithe rentcharge from 52 to 45 years (Clause 1 of the Tithe Bill).
- (2.) The reduction of the amount of unredeemed tithe rentcharge in proportion to the average reduction in judicial rents as compared with former rents (Clause 3 of the Tithe Bill).
- (3.) The abolition of the right of redeeming tithe rentcharge, except in the case of transactions under the Land Purchase Acts (Clause 4 of the Tithe Bill).
- (4.) Alterations in the terms under which a reduction is allowed in respect of poor rate upon tithe rentcharges, &c., payable to the Land Commission, consequent on the Local Government Act (Clause 6 of the Tithe Bill).
- (5.) Under Clause 15 of the Agriculture, &c., Bill a new charge is imposed on the Fund, of 70,000*l.* a year (subject to possible reduction for the year 1900–01) for 15 years certain, and thereafter of such annual amount as the state of the Fund will allow.

The third of the foregoing proposals has an important effect on the two disturbing elements referred to above, of which it entirely removes the first, while it limits the second to operations under the Purchase Acts, in which it is necessary to clear off all liabilities on the land.

The present review of the position and prospects of the Fund has been made in accordance with these general principles, on the basis of the state of facts existing on 1st April 1899, but incorporating the new proposals stated above. The notes which follow give details of the methods adopted in other respects.

TABLE OF REVENUE AND EXPENDITURE OF IRISH CHURCH FUND, as estimated under certain assumptions.

Year.	Receipts.	Expenditure.	Excess of Receipts over Expenditure (see Note D).
	£.	£.	£.
1899-1900	458,365	534,181	-75,816
1900-1901	571,583	550,422	21,161
1901-1902	426,016	267,527	158,489
	1,455,963	1,352,027	103,936
1902-1903	425,077	412,722	12,355
1903-1904	425,455	412,322	13,133
1904-1905	425,808	411,522	14,286
1905-1906	422,818	410,372	12,446
1906-1907	421,192	407,220	13,972
1907-1908	418,687	405,405	13,282
1908-1909	417,524	404,585	12,939
1909-1910	416,846	404,505	12,341
1910-1911	416,572	404,453	12,119
1911-1912	416,361	404,365	11,996
1912-1913	415,450	404,255	11,195
1913-1914	415,432	404,185	11,247
1914-1915	415,384	404,065	11,319
1915-1916	399,188	403,985	-4,797
1916-1917	399,177	403,585	-4,408
1917-1918	364,277	215,700	148,577
1918-1919	301,253	215,000	86,253
1919-1920	261,536	215,500	46,036
1920-1921	252,215	215,400	36,815
1921-1922	245,020	215,300	29,720
1922-1923	238,936	215,200	23,736
1923-1924	235,497	215,100	20,397
1924-1925	222,474	215,000	7,474
1925-1926	218,232	214,900	3,332
1926-1927	216,000	214,500	1,500
1927-1928	215,112	201,600	13,512
1928-1929	215,351	201,400	13,951
1929-1930	213,068	201,300	11,768
1930-1931	208,578	201,200	7,378
1931-1932	203,108	201,100	2,008
1932-1933	202,767	201,000	1,767
1933-1934	200,717	200,900	-183
1934-1935	202,843	200,800	2,043
1935-1936	202,072	200,700	1,372
1936-1937	201,620	200,600	1,020
1937-1938	201,145	198,550	2,595
1938-1939	200,431	198,750	1,681
1939-1940	199,743	198,550	1,193
1940-1941	199,423	198,550	873
1941-1942	199,173	198,450	723
1942-1943	198,828	198,350	478
1943-1944	198,382	198,250	132
1944-1945	197,945	198,150	-205
1945-1946	197,509	198,050	-541
1946-1947	198,048	197,950	98

Notes on the foregoing Figures.

1. It is assumed that no redemptions of tithe rentcharge or tithe annuities take place. This, no doubt, will not be the fact, unless the Purchase Acts cease to operate. But neither the future annual extent of the operations under those Acts, nor the proportion in which such operations will apply to lands subject to tithe, can be predicted with any confidence; and the effect of such operations has therefore been reserved for consideration, as a correction to the specific figures.

2. It is assumed that the average reduction of tithe rentcharge is 20 per cent. during the first 15 years, 30 per cent. for the next 15, and 35 per cent. subsequently. The first of these figures is known to be approximately correct; the others cannot be more than conjectural.

3. The full revenue due in each year is assumed to be received within the year. This is justified by past experience, as the arrears of revenue have been steadily and largely diminished in recent years. The amount outstanding on 31st March last was 80,926*l.*, and this figure is not expected to be exceeded in future.

4. In the years 1902-1917 provision is made for the redemption of the debt to the National Debt Commissioners (*i.e.*, to the Savings Banks), under the Relief of Distress Acts, 1879, and the Arrears Act, 1882, by means of an annuity based on a rate of interest of 2½ per cent.

5. Every surplus of income shown in the table is assumed to be applied, either immediately or periodically, to paying off the Intermediate Education Bonds, which rank as the next charge on the Fund after the debt under the Distress and Arrears Acts.

6. The income of 1900-1901 includes a sum of 145,500*l.*, which the Land Commission expect to be able to draw from their balances during that year.

As the result of the operations assumed and provided for in the table, the position of the Fund on 31st March 1947 should be as follows:—

<i>Revenue.</i>			
1. <i>Permanent</i> :—		<i>£.</i>	<i>£.</i>
Tithe rentcharge	- -	-	105,300
Perpetuity rents	- -	-	53,000
Yearly rents	- -	-	1,200
Interest on mortgages, &c.	- -	-	14,500
			<hr/> 174,000
2. <i>Temporary</i> :—			
Land annuities, &c.	- -	-	23,000
			<hr/> £. 197,000

The temporary income would continue, without much change, for seven years, and would then diminish, disappearing after 20 years more.

<i>Expenditure.</i>			
Interest on remaining Intermediate Education Bonds			<i>£.</i>
(160,000 <i>l.</i> at 2½ per cent.)	- -	-	4,400
Interest on 1,300,000 <i>l.</i> for Teachers' Pension Fund (at 3 per cent., unless altered by statute)	- -	-	39,000
Charge in favour of Royal University	- -	-	20,000
Charge in favour of Congested Districts Board	- -	-	41,250
			<hr/> 104,650
Expenses of management, &c., say	- -	-	10,000
			<hr/> £. 114,650

The difference between revenue and expenditure would suffice to pay off the remaining Intermediate Education Bonds, and leave enough secured income, after meeting other charges, to provide 60,000*l.* per annum for an indefinite period for the purposes of the Agriculture Bill.

It remains to consider the effect of redemptions in cases of sale under the Land Purchase Acts. £100 per annum of tithe rentcharge is sold under those Acts for 2,000*l.*, which sum could not be applied so as to reduce the net annual charge on the Fund by more than 60*l.*; so there would be a loss of 40*l.* per annum for every 100*l.* per annum of tithe rentcharge redeemed. In the case of tithe annuities, perpetuity rents, mortgages, and land annuities, the loss would be proportionately less, and the loss on tithe and land annuities must diminish as they draw nearer to their close. If such redemptions continued on a considerable scale it would ultimately become necessary to reduce the provision of 70,000*l.* per annum under the Agriculture Bill; not, however, in the near future.

Treasury Chambers, Whitehall, }
14 July 1899. }

R. W. HANBURY.

COPY of TALENTED MENSTRUATION, dated in July
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of the *Large Church Temple-Galleries, &c.*

(*See History.*)

Ordered, by the *Board of Directors*, to be *Printed*,
in July 1888.

(*Print 16.*)

893.